

previously approved by the Board. Beer and light wines may also be sold and served to persons seated in bona fide lunch counters. And in the case of clubs, said beverages may be sold and served in the private room of a member or guest of a member, or to persons seated at tables. No license shall be issued to a club which has not been established for at least three months immediately prior to the making of the application for such license.

Fees. "The fee for such a license shall be for a restaurant, \$500 per annum; for a hotel, under one hundred rooms, \$500 per annum; for a hotel of one hundred or more rooms, \$1,000 per annum; for a club, \$250 per annum; for a marine vessel serving meals in interstate commerce of one hundred miles or more and for each railroad dining car or club car, \$2 per month or \$20 per annum; for all other passenger-carrying marine vessels serving meals, \$50 per month or \$500 per annum."

Approved, June 18, 1934.

[CHAPTER 589.]

AN ACT

To amend section 601 (c) (2) of the Revenue Act of 1932.

June 18, 1934.
[H. R. 9234.]
[Public, No. 396.]

Revenue Act of 1932, amended.
Liquid malt, malt extract, etc., exempt from excise tax when sold for resale to a baker, manufacturer, or producer.
Vol. 47, p. 260.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 601 (c) (2) of the Revenue Act of 1932, as amended, is amended by striking out "sold to a baker" and inserting in lieu thereof "sold to, or for resale to, a baker", and by striking out "to a manufacturer or producer" and inserting in lieu thereof "to, or for resale to, a manufacturer or producer".

Approved, June 18, 1934.

[CHAPTER 590.]

AN ACT

To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

June 18, 1934.
[H. R. 9322.]
[Public, No. 397.]

Foreign-trade zones.
Definitions.

"Secretary."
"Board."
Composition of.

"State."

"Corporation."

"Public corporation."

"Private corporation."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That when used in this Act—

- (a) The term "Secretary" means the Secretary of Commerce;
- (b) The term "Board" means the Board which is hereby established to carry out the provisions of this Act. The Board shall consist of the Secretary of Commerce, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, and the Secretary of War;
- (c) The term "State" includes any State, the District of Columbia, Alaska, Hawaii, and Puerto Rico;
- (d) The term "corporation" means a public corporation and a private corporation, as defined in this Act;
- (e) The term "public corporation" means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality, or a corporate municipal instrumentality of one or more States;
- (f) The term "private corporation" means any corporation (other than a public corporation) which is organized for the purpose of establishing, operating, and maintaining a foreign-trade zone and which is chartered under special Act enacted after the date of enactment of this Act of the State or States within which it is to operate such zone;

(g) The term "applicant" means a corporation applying for the right to establish, operate, and maintain a foreign-trade zone;

"Applicant."

(h) The term "grantee" means a corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted;

"Grantee."

(i) The term "zone" means a "foreign-trade zone" as provided in this Act.

"Zone."

SEC. 2. (a) The Board is hereby authorized, subject to the conditions and restrictions of this Act and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to corporations the privilege of establishing, operating, and maintaining foreign-trade zones in or adjacent to ports of entry under the jurisdiction of the United States.

Establishment of foreign-trade zones authorized.

(b) Each port of entry shall be entitled to at least one zone, but when a port of entry is located within the confines of more than one State such port of entry shall be entitled to a zone in each of such States, and when two cities separated by water are embraced in one port of entry, a zone may be authorized in each of said cities or in territory adjacent thereto. Zones in addition to those to which a port of entry is entitled shall be authorized only if the Board finds that existing or authorized zones will not adequately serve the convenience of commerce.

Ports of entry. Entitled to one or more zones.

Additional zones.

(c) In granting applications preference shall be given to public corporations.

Preference to public-service corporations.

(d) In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality, the Board shall not grant an application by any public corporation for the establishment of any zone in such State, unless such application has been authorized by an Act of the legislature of such State (enacted after the date of enactment of this Act).

Approval of application by State, when harbor facilities are State-owned.

SEC. 3. Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this Act, be brought into a zone and may not be manufactured or exhibited in such zone but may be stored, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That when the privilege shall be requested the collector of customs shall supervise the unlading of foreign merchandise in the zone, cause such merchandise or any portion thereof to be appraised and the duties liquidated thereon. Thereafter it may be stored or manipulated under the supervision and regulations prescribed by the Secretary of the Treasury, and within two years after such unlading such merchandise, whether mixed with domestic merchandise or not, may be sent into customs territory upon the payment of such liquidated duties thereon; and if not so sent into customs territory within such period of two years such merchandise shall be disposed of under rules and regulations prescribed by the Secretary of the Treasury and out of the proceeds the duties shall be paid and the remainder, if any, shall be delivered to the owners of the property: *Provided further*, That subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the Treasury may

Foreign and domestic merchandise.

Bringing into zone; not subject to customs laws. Storing, repacking, etc.

Transporting from zone to customs territory.

Provided. Supervision of unlading foreign merchandise; appraisal.

Storage; transporting into customs territory within two years.

Disposal if not sent.

Articles of domestic growth, manufacture, etc.

Or on which duty previously paid.	deem necessary, articles the growth, product, or manufacture of the United States, and articles previously imported on which duty has been paid, or which have been admitted free of duty, may be taken into a zone from the customs territory of the United States, and may be brought back thereto free of duty, whether or not they have been combined with or made part, while in such zone, of other articles: <i>Provided</i> , That if in the opinion of the Secretary of the Treasury their identity has not been lost such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they reenter the customs territory of the United States as foreign merchandise under the provisions of the tariff laws in force at that time.
Articles not entitled to free entry because of noncompliance with regulations.	
Customs officers and guards. Assignment.	SEC. 4. The Secretary of the Treasury shall assign to the zone the necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into customs territory.
Vessels entering or leaving a zone, subject to regulations.	SEC. 5. Vessels entering or leaving a zone shall be subject to the operation of all the laws of the United States, except as otherwise provided in this Act, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury. Nothing in this Act shall be construed in any manner so as to permit vessels under foreign flags to carry goods or merchandise shipped from one foreign trade zone to another zone or port in the protected coastwise trade of the United States.
Competition by foreign vessels in American coastwise trade.	
Application for permits. Requirements specified.	SEC. 6. (a) Each application shall state in detail— (1) The location and qualifications of the area in which it is proposed to establish a zone, showing (A) the land and water or land or water area or land area alone if the application is for its establishment in or adjacent to an interior port; (B) the means of segregation from customs territory; (C) the fitness of the area for a zone; and (D) the possibilities of expansion of the zone area; (2) The facilities and appurtenances which it is proposed to provide and the preliminary plans and estimate of the cost thereof, and the existing facilities and appurtenances which it is proposed to utilize; (3) The time within which the applicant proposes to commence and complete the construction of the zone and facilities and appurtenances; (4) The methods proposed to finance the undertaking; (5) Such other information as the Board may require. (b) The Board may upon its own initiative or upon request permit the amendment of the application. Any expansion of the area of an established zone shall be made and approved in the same manner as an original application.
Amendments permitted.	
Grant to establish zone.	SEC. 7. If the Board finds that the proposed plans and location are suitable for the accomplishment of the purpose of a foreign trade zone under this Act, and that the facilities and appurtenances which it is proposed to provide are sufficient it shall make the grant.
Rules, etc., to be prescribed.	SEC. 8. The Board shall prescribe such rules and regulations not inconsistent with the provisions of this Act or the rules and regulations of the Secretary of the Treasury made hereunder and as may be necessary to carry out this Act.
Cooperation with local and Federal agencies.	SEC. 9. The Board shall cooperate with the State, subdivision, and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. It shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the

Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in section 2.

President may require cooperation of Governmental agencies.

SEC. 10. For the purpose of facilitating the investigations of the Board and its work in the granting of the privilege, in the establishment, operation, and maintenance of a zone, the President may direct the executive departments and other establishments of the Government to cooperate with the Board, and for such purpose each of the several departments and establishments is authorized, upon direction of the President, to furnish to the Board such records, papers, and information in their possession as may be required by him, and temporarily to detail to the service of the Board such officers, experts, or engineers as may be necessary.

SEC. 11. If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions, approved by the Board and such department or officer, as may be agreed upon.

Agreement for use of Federal property.

SEC. 12. Each grantee shall provide and maintain in connection with the zone—

Facilities each zone must have and maintain.

(a) Adequate slips, docks, wharves, warehouses, loading and unloading and mooring facilities where the zone is adjacent to water; or, in the case of an inland zone, adequate loading, unloading, and warehouse facilities;

(b) Adequate transportation connections with the surrounding territory and with all parts of the United States, so arranged as to permit of proper guarding and inspection for the protection of the revenue;

(c) Adequate facilities for coal or other fuel and for light and power;

(d) Adequate water and sewer mains;

(e) Adequate quarters and facilities for the officers and employees of the United States, State, and municipality whose duties may require their presence within the zone;

(f) Adequate enclosures to segregate the zone from customs territory for protection of the revenue, together with suitable provisions for ingress and egress of persons, conveyances, vessels, and merchandise;

(g) Such other facilities as may be required by the Board.

SEC. 13. The grantee may, with the approval of the Board, and under reasonable and uniform regulations for like conditions and circumstances to be prescribed by it, permit other persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements: *Provided*, That such permission shall not constitute a vested right as against the United States, nor interfere with the regulation of the grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States: *And provided further*, That in the event of the United States or the grantee desiring to acquire the property of the permittee no good will shall be considered as accruing from the privilege granted to the zone: *And provided further*, That such permits shall not be granted on terms that conflict with the public use of the zone as set forth in this Act.

Grantee may permit others to erect buildings within zone, with Board's approval.

Provided, U.S. rights not prejudiced.

No "good will" to accrue on transfer.

Permits granted only in public interest.

Operation of zone as public utility.

SEC. 14. Each zone shall be operated as a public utility, and all rates and charges for all services or privileges within the zone shall be fair and reasonable, and the grantee shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties

Rates and charges to be reasonable and non-discriminatory.

Cost of maintaining guard.

Use of zone for residential purposes restricted.

Authority of Board. Regulations governing employees.

Exclusion of detrimental goods, etc.

Restriction on conduct of retail trade.

Form and manner of keeping accounts.

Alienation of grant prohibited.

Revocation of grant on showing of violation.

Procedure.

or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments and the cost of maintaining the additional customs service required under this Act shall be paid by the operator of the zone.

SEC. 15. (a) No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Board.

(b) The Board shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

(c) The Board may at any time order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

(d) No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty-paid or duty-free goods as are brought into the zone from customs territory.

SEC. 16. (a) The form and manner of keeping the accounts of each zone shall be prescribed by the Board.

(b) Each grantee shall make to the Board annually, and at such other times as it may prescribe, reports containing a full statement of all the operations, receipts, and expenditures, and such other information as the Board may require.

(c) The Board shall make a report to Congress on the first day of each regular session containing a summary of the operation and fiscal condition of each zone and transmit therewith copies of the annual report of each grantee.

SEC. 17. The grant shall not be sold, conveyed, transferred, set over, or assigned.

SEC. 18. (a) In the event of repeated willful violations of any of the provisions of this Act by the grantee, the Board may revoke the grant after four months' notice to the grantee and affording it an opportunity to be heard. The testimony taken before the Board shall be reduced to writing and filed in the records of the Board together with the decision reached thereon.

(b) In the conduct of any proceeding under this section for the revocation of a grant the Board may compel the attendance of witnesses and the giving of testimony and the production of documentary evidence, and for such purpose may invoke the aid of the district courts of the United States.

(c) An order under the provisions of this section revoking the grant issued by the Board shall be final and conclusive, unless within ninety days after its service the grantee appeals to the circuit court of appeals for the circuit in which the zone is located by filing with the clerk of said court a written petition praying that the order of the Board be set aside. Such order shall be stayed pending the disposition of appellate proceedings by the court. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to the Board and it shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in the proceedings held before it under this section, the charges, the evidence, and the order revoking the grant. The testimony and evidence taken or submitted before the Board, duly certified and filed as a part of the record, shall be considered by the court as the evidence in the case.

SEC. 19. In case of a violation of this Act, or any regulation under this Act, by the grantee, any officer, agent, or employee thereof responsible for or permitting any such violation shall be subject to a fine of not more than \$1,000. Each day during which a violation continues shall constitute a separate offense.

Penalty provision.

SEC. 20. If any provision of this Act or the application of such provision to certain circumstances be held invalid, the remainder of the Act and the application of such provisions to circumstances other than those as to which it is held invalid shall not be affected thereby.

Separability provisions.

SEC. 21. The right to alter, amend, or repeal this Act is hereby reserved.

Right to amend, etc., reserved.

Approved, June 18, 1934.

[CHAPTER 591.]

AN ACT

Granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pennsylvania.

June 18, 1934.
[H. R. 9326.]

[Public, No. 398.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby granted to the Commonwealth of Pennsylvania to construct, maintain, and operate a bridge and approaches thereto across the Susquehanna River, at a point suitable to the interests of navigation, at or near York Furnace, York County, Pennsylvania, in accordance with the provisions of an Act entitled "An Act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this Act.

Susquehanna River.
Pennsylvania may
bridge, at York Fur-
nace.

Construction.
Vol. 34, p. 84.

SEC. 2. If tolls are charged for the use of such bridge, the rates of tolls shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed twenty years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of tolls shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

Tolls to be applied to
operation, sinking
fund, etc.

Maintenance as free
bridge, etc., after amor-
tizing costs.

Record of expendi-
tures and receipts.

SEC. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Amendment.

Approved, June 18, 1934.